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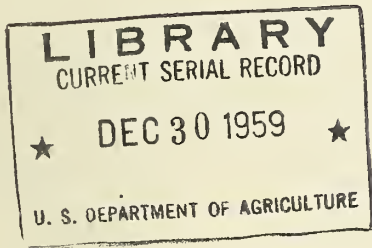
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THE SOIL BANK PROGRAM

How it operates

How it will help farmers



U. S. DEPARTMENT OF AGRICULTURE
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THE SOIL BANK PROGRAM

The 1957 crop year, beginning in the fall of 1956, is the first full year of operation under the new Soil Bank Program. In making their production plans for 1957, farmers will have an opportunity to consider this important program, designed to strengthen agricultural markets and improve on-the-farm resources.

Widespread participation in the Soil Bank during the 1957 crop year and in later years will help promote stability in American agriculture. Through this program, farmers can make needed adjustments in production while maintaining their incomes. They will receive substantial aid in solving the surplus problem, one of the most serious facing American agriculture today.

In 1957, the Soil Bank will be administered as a program to reduce farm production and maintain net farm income, the objective for which it was enacted into law.

Need for Production Adjustment

In spite of forceful programs to move them to consumers at home and abroad, holdings of surplus farm products have grown so large they depress farm prices and threaten orderly marketing of food and fiber. Surplus commodities have been sold whenever practical, donated to needy people in the United States, and donated, bartered, and sold in foreign countries. In the 1956-57 fiscal year, U. S. farm exports were up 10 percent over those of the previous year.

Yet surpluses of basic farm commodities continue to increase. Storage facilities fill up as fast as they are emptied. On May 31, 1956, the Commodity Credit Corporation held more than 8.5 billion dollars worth of commodities in inventory or under loan. This was a substantial increase over a corresponding month the previous year. Storage costs alone for the inventory holdings are nearly a million dollars a day.

Mounting farm surpluses year after year strike directly at the welfare of all farmers. They depress prices and thus reduce net farm income. They force severe reductions in acreage allotments. In 1954 and 1955, for example, farmers removed 29 million acres from the production of wheat and cotton alone. Much land taken out of basic production has been diverted to other crops, especially feed grains, in competition with the products of other farmers. The surplus affects every farmer and rancher, no matter what they produce.

What the Soil Bank Will Accomplish

The Soil Bank is a major national effort to reduce the flow of surplus commodities into government and non-government storage. As the program operates to keep excessive stocks out of storage, new and strengthened efforts to dispose of surplus commodities will help lower government holdings to manageable and realistic levels.

A second objective of the program, increased on-the-farm conservation, is just as important to the welfare of the Nation as economic stability in agriculture. The Soil Bank will promote a whole new pattern of conservation work leading to better farms, better use of natural resources, and the building up of seriously eroded land.

The Soil Bank has two parts -- an acreage reserve and a conservation reserve.

A temporary program to reduce production of wheat, cotton, corn, rice, tobacco and peanuts, the Acreage Reserve will have four main results leading to a strengthened economic position for farmers:

- Payments at least equal to net income farmers would have earned from production on acres put in the reserve.
- New stability for farmers' markets through a working program to bring surpluses under control. Concern that farm surpluses will continue to grow has acted in the past to depress prices.
- Protection against crop failure. Farmers who put land in the acreage reserve will receive payments based on normal yields from these acres even though drought or some other natural disaster lowers production on other land.
- Increased productive capacity for land removed from production. No crops except those that conserve the soil may be grown. Weed and erosion control will be practiced.

The second part of the Soil Bank, the conservation reserve, is a long-range program, open to all farmers regardless of the crops they grow. It will give new force and permanence to soil, water, and forest protection work.

Land brought into this program will include: (1) less productive acres that should be taken out of crop production permanently in the interest of better conservation; (2) acres diverted in the past from wheat and cotton to feed grains and other crops; (3) certain lands on which cover is already established.

Through the conservation reserve farmers can receive substantial aid and compensation while giving protection to the food-producing resources of the Nation. Instead of being depleted in the production of surplus commodities, the soil and water resources on their farms will be conserved for a larger population needing increased supplies of food, fiber, and timber.

Established Agencies Administer Program

This is a billion dollar plus program. It involves many regular State and Federal agencies with wide responsibilities in American agriculture for price support, conservation, forest protection, and education. Working in cooperation, they now have major responsibility for operation of the Soil Bank.

In administering the program, the Secretary of Agriculture is making use of services and skills of the following agencies:

Community, county, and State Agricultural Stabilization and Conservation committees are carrying the program to farm operators within their areas. County committees receive regulations and instructions from the Department of Agriculture, explain the program to farmers, sign contracts and agreements, check compliance, and make payments to farmers.

The Commodity Credit Corporation and the Commodity Stabilization Service, agencies of the Department of Agriculture, have general responsibility for administering funds used in the program. A new Soil Bank division was set up in CSS in June 1956. This division is responsible for developing regulations and instructions concerning the program and for its administration.

The Agricultural Conservation Program Service has formulated conservation practices to be applied on land placed in the conservation reserve and will review their effectiveness.

Technical resources of the Soil Conservation Service, the Forest Service, the Fish and Wildlife Service, and the various State agricultural and forestry agencies are being utilized in the program.

The Federal Extension Service, working through State and Federal agencies, is bringing information on the Soil Bank to all farmers.

Regular Farm Programs Continue

The Soil Bank is an addition to regular agricultural programs which will strengthen them and promote the total accomplishment of national goals in agriculture.

Price support programs and acreage allotments and marketing quotas for some crops are still in effect, with their administration closely tied to the Soil Bank.

The Agricultural Conservation Program will continue to include regular conservation activities outside the Soil Bank.

The Soil Conservation Service continues its work with soil conservation districts and watershed protection projects.

The rest of this booklet deals with both the acreage reserve and the conservation reserve programs for 1957, including a description of farmers' benefits and responsibilities and of general administration.

ACREAGE RESERVE PROGRAM -- How It Operates

Farmers with acreage allotments for wheat, corn, cotton, rice, most kinds of tobacco and peanuts are eligible to take part in the 1957 acreage reserve. General provisions of the program are similar for all these crops. Specific goals, rates of payment, etc., are different, however, and for commodities other than wheat, this information will be supplied late in 1956. The 1957 wheat acreage reserve program is described on page 8.

Acreage Reserve Held Out of Production

Under the acreage reserve program, farmers who reduce their harvested acres below allotments will receive yearly payments. The program began with the 1956 crop year and will continue through 1959.

A farmer takes part in the acreage reserve program by signing a one-year agreement with his ASC committee and reducing his 1957 acreage of harvested crops below his farm allotments (or Soil Bank corn base if corn farmers agree to continue this program in 1957). Land he places in the acreage reserve may not be grazed, cut for hay, or cropped during the 1957 calendar year. It is taken out of production entirely. The farmer may leave it idle or apply a soil or water conservation practice. In any case, noxious weeds must be controlled on this acreage reserve land. County committees will help in this by determining the most effective control methods for an area.

The Secretary of Agriculture, however, does have authority to allow grazing on reserve land in certain areas because of a natural disaster, such as drought.

Compliance Checked on Acreage Reserve Tracts

In agreement with the county ASC committee, the farmer designates for each commodity the tracts of land on his farm that he has placed in the program. For example, a farmer might identify a tract of corn land to be placed in the acreage reserve as "the northeast corner of field 7 as staked." Farmers who participate in the 1957 program will be offered incentives to put the same land in the 1958 and 1959 acreage reserve.

Farmers may take part in both the acreage reserve and the conservation reserve; however, the same land may not be placed in both programs. A farmer can make use of the ACP in applying conservation practices on land in the acreage reserve.

Farmers entering the program will agree to allow county ASC committees to check compliance on their farms. In general, Soil Bank compliance will be checked at the same time as compliance under price support and marketing quota programs.

Payments Compensate for Income Loss

In return for taking valuable land out of production and placing it in the acreage reserve, farmers will receive payments high enough to compensate them for loss of income on this land. The method of payment is through certificates which the Commodity Credit Corporation will redeem in cash at their face value. Farmers receiving certificates for wheat, corn, and rice acreage may redeem them in the commodity for which they received the certificates or in oats, barley, rye, or grain sorghums. In such cases, the certificates will be worth 105 percent of their face value. Thus a corn farmer holding a certificate worth \$800 would receive \$840 worth of corn (or small grains) in exchange for it.

Certificates are negotiable. In other words, farmers may endorse them over to merchants, bankers, and others as payment for goods or services. Anyone holding a certificate may redeem it in cash. But only farmers to whom certificates for grain have been issued will be able to collect grain in exchange for them. This grain is not eligible for price support programs.

Each State Receives Part of Funds

For the 1957 crop year, \$750 million is available to make payments to farmers who volunteer land for the acreage reserve program. Nation-wide acreage reserve goals for each eligible commodity are being established. In setting these goals, the Secretary of Agriculture has taken into consideration the amount of land needed for production this year and a desirable reserve. (You will find the 1957 wheat acreage reserve goal on page 8 along with other details for wheat.)

Each State will receive a proportion of total funds available for the nation-wide 1957 program. In making these allocations, the Deputy Administrator for Production Adjustment (CSS) considers state acreage allotments, normal yields, expected participation, and supply and demand of a commodity. He may transfer part of an allocation from one state to another if he believes it necessary in order to gain the desired objectives. State committees will apportion funds among the counties.

The Secretary of Agriculture is establishing base unit rates for each eligible commodity, and in some cases, type of commodity. These rates, as stated above, will be high enough to compensate farmers for loss of income from land placed in the acreage reserve program.

Yield--Unit Rate--Reserve Acres Determine Payment

The payment a farmer receives for placing land in the acreage reserve (i.e., the value of certificates) will be determined as follows: Multiplying the base unit rate for eligible commodities by the normal yield per acre, by the number of acres he has volunteered for the program. Thus if a farmer volunteered 20 acres of wheat land, his certificate value would be calculated by multiplying 20 acres X the base unit rate for wheat X the yield for his farm.

The county ASC committee estimates what "normal yield" is on acres a farmer wants to place in the acreage reserve. They will base their evaluation on several factors. In the 1957 wheat program, for example, county committees will consider community check yield, productivity of the wheat land on a particular farm, usual farm practices of the operator, past records, and abnormal conditions in the past that might distort yield histories.

Acreage Reserve on Farm with Wheat Allotment	
Size of farm	200 acres
Acreage allotment (wheat)	60 acres
Acreage used for other crops (oats, soybeans)	60 acres
Pasture	23 acres
Hay	27 acres
Land placed in acreage reserve (from wheat acreage allotment)	30 acres
Normal yield per acre for acreage reserve (determined by County ASC committee)	20 bushels --
Total (20x30 acres)	600 bushels
Acreage Reserve Unit rate for wheat for county (about 60% of county support rate)	<u>\$1.15</u> per bushel
ACREAGE RESERVE PAYMENT (600 x \$1.15)	\$690.00

Funds for the nation-wide acreage reserve program are not unlimited. And, also most good land must remain in production to meet the Nation's need for food and fiber. Some eligible farmers, therefore, may not be able to put all the acres in the program that they would like. Maximum limits on the participation of any one farm are being established. In addition, administrative requirements make it necessary to set minimum limitations, i.e., a minimum amount of acreage which farmers need to volunteer in order to participate. These also are being established, and will be announced before spring planting. (Maximum and minimum acreage for wheat are listed on page 8.)

Farm Allotments Protected

Historical acreage allotments of farmers taking part in the program will be protected. Acreage placed in the reserve will be considered acreage used to produce crops in determining future State, county, and farm acreage allotments. As an illustration, a farmer with a wheat allotment of 75 acres places 25 in the acreage reserve and produces wheat on only 50 acres. He will be considered as having 75 acres of wheat in establishing future wheat allotments for his farm. However, no acreage placed in the reserve may be reapportioned or allotted to any other farm. This farmer could not turn back 25 acres of his allotment, the amount placed in the acreage reserve, to his ASC committee for reapportionment to another farm during 1957.

In order to take part in the acreage reserve, a farmer must comply with all his acreage allotments (and Soil Bank corn base.) If after signing an agreement, he exceeds any allotment established for his farm, he is ineligible for payment. However, farmers in the commercial wheat areas may produce up to 15 acres of wheat and any farmer growing peanuts may produce up to one acre of peanuts without being ineligible for the program.

Tenants and Sharecroppers Share Benefits

Tenants and sharecroppers on farms whose owners place land in the program have full rights to share in benefits. In his acreage reserve agreement, a landlord describes the distribution to be made of acreage reserve program benefits among his tenants. His county committee decides whether this is a fair division of benefits. The committee will consider two factors: (1) Contribution to production from acreage reserve land that each individual has made in the past, (2) his past share of crops from this land. A landlord cannot make an agreement if it appears he has displaced tenants in preparation for the program or he has not offered them an opportunity to share benefits.

The acreage reserve is a multi-million dollar program, with direct benefit to the entire agricultural economy. It is essential that all farmers be protected from improper use of the program by any individual. Therefore, penalties are provided for violating an agreement.

If an ASC committee finds an operator has violated an agreement seriously enough to terminate it, he will forfeit all payments, past and future, for the year covered by the agreement. In this case, he may appeal the decision to his State committee and the Federal courts.

If the county committee decides his violation is less serious, the farmer's payments will be adjusted and he may also have to refund some of the money already paid him under the agreement. In addition, an operator who grazes land in violation of a contract or harvests a crop from it is subject to a civil penalty. This will amount to 50 percent of benefits he would have received under the agreement.

1957 Wheat Acreage Reserve

Specific information on the 1957 acreage reserve for winter wheat areas has been announced so that farmers now completing plans for fall-seeded wheat can participate in the program.

A nation-wide goal has been established for wheat. For 1957 the objective is 15 million acres in the wheat acreage reserve.

To take part in the program, a farmer needs to sign an agreement and reduce his 1957 acreage of wheat below his farm allotment. He agrees not to harvest an acreage of wheat which is more than his allotment minus acres placed in the reserve.

By a certain date, which his committee will announce, the farmer will need to mow or plow wheat on his farm in excess of the amount he may harvest. Thus a farmer with a 35-acre wheat allotment who places 15 acres in the program may plant his full allotment or more if he wishes, but he may not harvest wheat from more than 20 acres.

In return for placing acreage in the program, farmers growing wheat will receive certificates whose value is based on a unit rate for wheat in their counties multiplied by normal yields on acreage reserve land. The average national unit rate for the 1957 wheat acreage reserve is \$1.20 a bushel. This rate will vary about 5 to 10 percent among counties. It might work out to \$1.25 in one group of counties, \$1.15 in others, and so forth.

On any one farm, not more than 50 percent of the allotment or 50 acres, whichever is larger, may be placed in the wheat acreage reserve, and not less than 3 acres or the allotment, whichever is smaller. The maximum acreage, however, may be increased if funds are available. A county committee also has authority to increase the maximum acreage if, after reviewing the number of agreements signed, it finds money is still available for the program in the county. In this case, farmers in the county who wanted to place additional land in the program when they first signed an agreement and were prevented from doing so by the 50 percent-50 acre limit may increase their participation by signing a new agreement.

Since each county receives an allocation which limits the wheat acreage that may be placed in the acreage reserve, agreements are being signed by ASC committees on a first-come-first-served basis until the full county allocation is covered by agreements.

Winter wheat producers have an opportunity to sign acreage reserve agreements for 1957 until September 21, 1956.

CONSERVATION RESERVE PROGRAM -- How It Operates

A long-term measure to adjust production and increase the conservation of soil, water, and forest resources in the Nation, the conservation reserve part of the Soil Bank has now been made available to all farmers. Through this program, they have an opportunity to receive substantial government assistance as they carry forward the conservation of their farm resources and rehabilitate worn out or eroded land.

The goal for 1956 is set at 4 to 6 million acres and for 1957 at 20 million acres. It is hoped this amount of land will come under contract. Each year \$450 million is available for payments to farmers.

From Production to Conservation

To participate in the conservation reserve program, a farmer signs a contract, through his ASC committee, with the Department of Agriculture. He agrees to devote specific tracts of land on his farm to semi-permanent conservation practices. Land regularly used in crop production is eligible for the program. This includes land producing crops which do not require annual tillage, such as tame hay. However, non-cropland used only for pasture, land already in the acreage reserve, and Federal-Government land is not eligible.

A farmer who signs a contract to participate in the conservation reserve program will maintain protective cover crops or make use of some other approved conservation practice on tracts of land in the program. No crop will be harvested from this land, except timber in keeping with good forestry management. He may not pasture the conservation reserve. Under emergency conditions, however, the Secretary of Agriculture may permit him to graze his own livestock. And grazing may also be authorized after the third year of the contract.

Conservation reserve contracts will be for 3 to 5 years for land already in approved cover crops. The producer has a choice of either contract. Where vegetative cover is to be established, contracts will extend 5 to 10 years, whichever the producer chooses. Contracts for 10 to 15 years will apply where the land is to be planted in trees.

If 1956 is included as the first year of the contract period, the contract will be extended one year. Thus a three-year contract beginning with 1956 becomes a four-year contract. Farmers entering contracts which include 1956 need to be in compliance with all provisions from January 1, 1956. A contract beginning with 1957 may be entered into this fall, and the conservation practice established in late 1956.

October 15, 1956 is the last date for signing contracts that begin with this year, and March 15, 1957, the last date for signing contracts beginning with 1957.

Farm Soil Bank Base

County ASC committees will establish a farm Soil Bank base for each farm entering the program. In general, the Soil Bank base is the amount of acreage on a farm normally producing crops for harvest. To establish this Soil Bank base for a farm, the committee determines acreage of land producing crops for harvest during the two years before the first year of the conservation reserve contract. Abnormal weather or special crop rotation systems may be taken into consideration in calculating a Soil Bank base.

Land on the farm not included in the Soil Bank base is considered to be in conserving and idle uses. Farmers participating in the conservation reserve will agree to keep the same amount of land in idle and conserving uses as in the past, in addition to acres placed in the conservation reserve. They will also reduce acreage used in the production of crops by the amount of acres placed in the program. In short, reduce crop acreage below the Soil Bank base.

Here is an example of how the Soil Bank base might apply on a farm with conservation reserve land: In 1954 and 1955, the farm operator had 40 acres in corn, 35 acres in small grains, and 20 in wheat. In addition, 55 acres of his land were devoted to pasture and trees. His county committee established a Soil Bank base for his farm of 95 acres. He wants to place 20 acres of poorer crop land in the conservation reserve, beginning with 1957. To do so, he must maintain at least 55 acres (equal to land now in pasture and trees) in idle and conserving uses in addition to the 20 acres he puts in the conservation reserve. He must also reduce acreage he uses in the production of crops by 20 acres. So he will have only 75 acres in crop production while he participates in the program.

A special provision applies to small farms and larger farms with all eligible land in the conservation reserve program. Producers on farms with a Soil Bank base of 30 acres or less may place land in the program without reducing acres in crop production below this base. However, they will receive only 30 percent of the full annual payment rate. This lower rate is called the "non-diversion rate." (See page 12 for a description of "annual payment.")

An operator whose farm has a Soil Bank base of more than 30 acres and who agrees to place all eligible land on his farm in the conservation reserve will receive two rates of payment: (1) the full annual payment rate for that part of his conservation reserve acreage which is equal to the Soil Bank base for his farm; (2) the lower (30 percent) rate for the remaining conservation reserve acreage. For example, a farm with eligible cropland of 150 acres and a Soil Bank base of 90 acres. The operator places all 150 acres in the conservation reserve. He receives the full annual payment rate for 90 acres and the lower payment rate for 60.

Limits on Farm Participation

Minimum limits on the amount of acreage farmers may place in the conservation reserve program: 5 acres where approved cover is on the land or will be established, and 2 acres where trees are to be planted. However, in counties where the tillable land on farms is small, State ASC committees may approve a lower minimum acreage for the conservation reserve. This minimum will be at least one acre.

In return for signing a contract and taking part in the program, a farmer receives two payments: the practice payment helps him establish conservation measures; the annual payment provides income for land taken out of production.

Practice Payment for Conservation

Farmers will receive up to 80 percent of what it costs them to establish permanent conservation on land placed in the program. State ASC committees have authority to set a rate of cost sharing which is less than 80 percent. Individual county committees may also set lower rates. A contract will not be made for less than five years if the participating farmer receives cost-sharing for establishing a conservation practice.

The following conservation practices are eligible for cost-sharing payments:

- Establishing a permanent vegetative cover crop for soil protection.
- Treating farmland to permit the use of legumes and grasses for soil improvement.
- Establishing trees or shrubs.
- Building dams, pits, or ponds in order to protect cover crops or to hold irrigation water.
- Protecting wildlife through cover, water, and marsh management, or dam and pond construction.

If the Department of Agriculture or agencies representing it provide materials and services for conservation work on land in the reserve, their cost will be considered part of the cost-share payment. The Department may purchase or produce these materials and services, reimburse government or private dealers for them, and pay the cost of making them available to farmers.

The Soil Conservation Service has soil capability data and technical skills which can help farmers in selecting the land on their farms best suited for the conservation reserve and in selecting conservation practices for that land. Farmers can consult with local SCS technicians in planning their conservation reserve.

Annual Payment for Idle Land

In addition to the conservation practice payment, a participating farmer also receives a payment each year for the length of his contract to compensate him for loss of income on land taken out of crop and livestock production. This payment will be based on the amount of acreage he has placed in the reserve and the rate per acre that has been established for land in his county.

The national average per acre rental rate is \$10.00. Average rates for each State have been established, (See page 13) and state ASC committees are establishing a payment rate per acre for each county. In setting this rate, they consider cash value of land in a particular county, prevailing land rent, and land productivity compared with that of other counties. State committees may establish different payment rates for different land in a county, but these rates have to average out to the county rate. A typical county might have an average annual payment rate of \$9.00 an acre. However, the rate for land within that county might vary from \$6.00 to \$12.00, depending on its value and productivity.

A farmer with land in the conservation reserve may receive both cost-sharing and annual payment during the year a conservation practice is carried out. His annual payment continues each year the contract is in force and its conditions are met.

If the Secretary of Agriculture permits grazing on land in the conservation reserve program because of local disaster conditions, no annual payment will be made for that year to a farmer who grazes livestock, and if grazing is permitted after the first three years of the contract, the annual payment will be reduced.

Total annual payment to any farm producer in any year is limited to \$5,000, no matter how many of his farms have conservation reserve land. In some cases, however, the Secretary of Agriculture may increase this top limit. Where a farmer wants to put all eligible land on his farm in the Soil Bank, or a higher payment is needed to bring a large amount of erosion land into the program, might be two such cases.

State Annual Payment Rates Per Acre, Conservation Reserve

<u>State</u>	<u>Regular Rate</u>	<u>State</u>	<u>Regular Rate</u>
Alabama	\$8.00	Nebraska	\$9.00
Arizona	9.00	Nevada	7.00
Arkansas	9.00	New Hampshire	10.00
California	12.00	New Jersey	13.00
Colorado	8.00	New Mexico	8.00
Connecticut	13.00	New York	11.00
Delaware	12.00	North Carolina	10.00
Florida	8.00	North Dakota	9.00
Georgia	8.00	Ohio	12.00
Idaho	11.00	Oklahoma	9.00
Illinois	12.00	Oregon	12.00
Indiana	12.00	Pennsylvania	11.00
Iowa	12.00	Rhode Island	12.00
Kansas	10.00	South Carolina	9.00
Kentucky	10.00	South Dakota	9.00
Louisiana	10.00	Tennessee	10.00
Maine	9.00	Texas	10.00
Maryland	12.00	Utah	11.00
Massachusetts	13.00	Vermont	10.00
Michigan	11.00	Virginia	10.00
Minnesota	11.00	Washington	13.00
Missouri	9.00	West Virginia	10.00
Mississippi	10.00	Wisconsin	11.00
Montana	9.00	Wyoming	8.00

Payment Stops If Soil Bank Base Exceeded

No annual payment will be made to a farmer in any year when his acreage planted in Soil Bank base crops exceeds by the larger of 3 acres or 3 percent the farm Soil Bank base less acreage in the conservation reserve. To illustrate: a farmer who planted an average of 90 acres of corn, small grains, and soybeans in the past two years now has a Soil Bank base of 90 acres. He has placed 20 acres in the conservation reserve. During the first year of the contract if he plants more than 73 acres in corn, small grains, and soybeans, he will receive no annual payment. In addition, the conservation reserve contract will be considered in violation. (See page 15.)

This provision applies to farmers who receive the regular (or full) annual payment. Those who have not reduced harvested crops below their Soil Bank base and are receiving only the lower rate may not exceed their Soil Bank base by 3 acres or 3 percent, whichever is larger. (See page 10 for an explanation of this rate.)

Long-Term Contracts and Successors in Interest

Because contracts under the conservation reserve program are long term, extending from 3 to 15 years, the question of successors in interest has considerable importance.

If a contracting farmer dies, becomes incompetent, or disappears, payments due him will go to his successor (determined according to present ACP regulations.) If a farmer or tenant signing a contract loses control of the farm at a later date, the contract will be ended so far as he is concerned. He will not receive further payments and will refund all practice payments he has received, unless the individual taking his interest in the farm becomes a party to the contract. The rights and responsibilities of remaining owners who have signed a conservation reserve contract for one farm are not changed if one of them sells his interest in the farm.

Tenants and sharecroppers have full rights to share in the benefits of the conservation reserve. Payments for conservation work on acreage placed in the program goes to the individual who has carried out the practice for which costs are shared or has received the materials and services provided by government agencies. If more than one person is involved, the ASC county committee decides the contribution in work, equipment, etc., each has made, and divides benefits according to this contribution. As to the annual payment, contracts will describe the way in which payments will be divided among landlords and tenants or sharecroppers.

Acreage Allotments Protected

Acreage allotments of farmers taking part in the conservation reserve are protected, even for farmers undertaking 15-year contracts. In determining future State, county, and farm acreage allotments, acreage placed in the reserve will be considered acreage used to produce crops. However, no acreage placed in the program may be apportioned to another farm.

If any acreage allotment (or Soil Bank corn base) on a farm is exceeded during any year covered by the conservation reserve contract, the operator will be ineligible for payments. However, farmers in commercial wheat areas may produce 15 acres of wheat and any farmer may produce one acre of peanuts without being ineligible for the program.

If county and State ASC committees approve, two or more farmers in a local area may pool their farms in order to enter the conservation reserve program. To do so they need to develop a plan that the county committee believes will result in better management of family farms or better land use on their farms.

Conservation Reserve on Two Farms

Farm in Southwest:

960 acres

100 acres placed in conservation reserve

Total cost of establishing grass cover at \$7 per acre	_____	\$700
Payment to farmer at 80 percent of the cost	_____	560
Annual payment, \$5 per acre	_____	500
Payment to farmer the 1st year, \$560 plus \$500	_____	1,060
Payment in following years for duration of the contract	_____	500

Farm in the Piedmont:

120-acre farm

60 acres placed in conservation reserve

Total cost of establishing 30 acres of grass at \$20	_____	\$600
Total cost of establishing 30 acres of trees at \$12	_____	360
Payment to farmer equal to 80 percent of costs	_____	768
Annual payment \$8 per acre	_____	480
Payment 1st year, \$768.00 plus \$480.00	_____	1,248
Payment in following years for duration of the contract	_____	480

Penalties for Violating a Contract

Administration of the conservation reserve also carries with it necessary penalties to protect participating farmers from improper use of the program.

If the county ASC committee finds an operator has violated an agreement seriously enough to terminate it, he and his tenants or sharecroppers, if any, will forfeit all payments (both annual payment and cost-sharing) under the contract. In this case, the operator may appeal the decision to his State committee and the Federal courts.

If the county committee decides his violation is less serious, the payments of the operator (and his tenants or sharecroppers) may be adjusted and he may also have to refund some of the money already paid him under the contract. In addition, an operator who grazes land in violation of a contract or harvests a crop from it is subject to a fine amounting to 50 percent of his benefits under the contract.

Contracts can be changed or even terminated through an agreement between a farmer and his county committee. However, this action must be approved by the Deputy Administrator for Production Adjustment (CSS) or be in line with general policies he issues.

THE SOIL BANK AS A NEW FARMING TOOL

In preparing their farming plans for 1957 and later years, farm operators will be taking a close look at the benefits and income possibilities of the Soil Bank -- both the acreage reserve and the conservation reserve. This new, multi-million dollar program holds out an opportunity for farmers to earn substantial payments in exchange for land retirement and conservation work that will actually increase the value of their farm resources. Here is an opportunity for the entire Nation to make long-needed adjustments in farm production and to build up soil, water, and forest resources that have sometimes been misused in the past.

In spite of its broad scope and nation-wide importance, the Soil Bank remains a program for the individual farm. Farm operators have the ultimate responsibility for the value of the program to themselves and to the entire Nation.

As he prepares for the 1957 crop year, a farmer might review the possibilities of the Soil Bank on his farm, asking himself such questions as these:

- Will the Soil Bank help in making needed production adjustments while maintaining historical allotments on a farm?
- On a small farm with small tillable acreage, will payments plus work off the farm in industry or trades produce more family income than full-time farming?
- If the operator is an older man or in bad health, will the Soil Bank Program help him ease the load, or reduce his operations to a level he can handle?
- In areas with high hazard land, Soil Bank participation can provide protection against drought, hail, pests, or floods. Has the program been considered in this light?
- Will the program help correct a bad erosion problem?
- Where changes are badly needed in type of farming and production methods, will the Soil Bank give new impetus to these changes?
- Is this the opportunity to make real, practical use of farm forests and forestry possibilities?

Farmers can write their own list of questions, taking into consideration local conditions and their farming operations. No farmer can afford to ignore this tool in American agriculture.

County ASC committees are aiding farmers with specific information and interpretations regarding the program. Local meetings are being held. Information material has been sent to all farming areas, and State and Federal agency representatives are visiting these areas to explain the program and distribute information. County ASC offices and representatives of State and Federal agencies welcome requests for information.

Farmers sign up for programs at their ASC county office. Farmers should consult with their ASC committees before making plans to use the Soil Bank.

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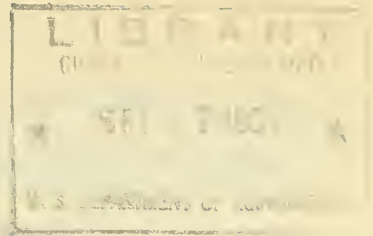
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THE SOIL BANK PROGRAM

How it operates

How it will help farmers



U. S. DEPARTMENT OF AGRICULTURE
Office of Information

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THE SOIL BANK PROGRAM

The 1957 crop year, beginning in the fall of 1956, is the first full year of operation under the new Soil Bank Program. In making their production plans for 1957, farmers will have an opportunity to consider this important program, designed to strengthen agricultural markets and improve on-the-farm resources.

Widespread participation in the Soil Bank during the 1957 crop year and in later years will help promote stability in American agriculture. Through this program, farmers can make needed adjustments in production while maintaining their incomes. They will receive substantial aid in solving the surplus problem, one of the most serious facing American agriculture today.

In 1957, the Soil Bank will be administered as a program to reduce farm production and maintain net farm income, the objective for which it was enacted into law.

Need for Production Adjustment

In spite of forceful programs to move them to consumers at home and abroad, holdings of surplus farm products have grown so large they depress farm prices and threaten orderly marketing of food and fiber. Surplus commodities have been sold whenever practical, donated to needy people in the United States, and donated, bartered, and sold in foreign countries. U. S. farm exports (quantity) in fiscal year 1955-56 were 17 percent above those of the previous year.

Yet surpluses of basic farm commodities continue to increase. Storage facilities fill up as fast as they are emptied. On August 31, 1956, the Commodity Credit Corporation held nearly 8 billion dollars worth of commodities in inventory or under loan. Storage costs for the inventory holdings are close to a million dollars a day.

Mounting farm surpluses year after year strike directly at the welfare of all farmers. They depress prices and thus reduce net farm income. They force severe reductions in acreage allotments. In 1954 and 1955, for example, farmers removed 29 million acres from the production of wheat and cotton alone. Much land taken out of basic production has been diverted to other crops, especially feed grains, in competition with the products of other farmers. The surplus affects every farmer and rancher, no matter what they produce.

What the Soil Bank Will Accomplish

The Soil Bank is a major national effort to reduce the flow of surplus commodities into government and non-government storage. As the program operates to keep excessive stocks out of storage, new and strengthened efforts to dispose of surplus commodities will help lower government holdings to manageable and realistic levels.

A second objective of the program, increased on-the-farm conservation, is just as important to the welfare of the Nation as economic stability in agriculture. The Soil Bank will promote a whole new pattern of conservation work leading to better farms, better use of natural resources, and the building up of seriously eroded land.

The Soil Bank has two parts -- an acreage reserve and a conservation reserve.

A temporary program to reduce production of wheat, cotton, corn, rice, tobacco and peanuts, the Acreage Reserve will have four main results leading to a strengthened economic position for farmers:

- Payments at least equal to net income farmers would have earned from production on acres put in the reserve.
- New stability for farmers' markets through a working program to bring surpluses under control. Concern that farm surpluses will continue to grow has acted in the past to depress prices.
- Protection against crop failure. Farmers who put land in the acreage reserve will receive payments based on normal yields from these acres even though drought or some other natural disaster lowers production on other land.
- Increased productive capacity for land removed from production. No crops except those that conserve the soil may be grown. Weed and erosion control will be practiced.

The second part of the Soil Bank, the conservation reserve, is a long-range program, open to all farmers regardless of the crops they grow. It will give new force and permanence to soil, water, and forest protection work.

Land brought into this program will include: (1) less productive acres that should be taken out of crop production permanently in the interest of better conservation; (2) acres diverted in the past from wheat and cotton to feed grains and other crops; (3) certain lands on which cover is already established.

Through the conservation reserve farmers can receive substantial aid and compensation while giving protection to the food-producing resources of the Nation. Instead of being depleted in the production of surplus commodities, the soil and water resources on their farms will be conserved for a larger population needing increased supplies of food, fiber, and timber.

Established Agencies Administer Program

This is a billion dollar plus program. It involves many regular State and Federal agencies with wide responsibilities in American agriculture for price support, conservation, forest protection, and education. Working in cooperation, they now have major responsibility for operation of the Soil Bank.

In administering the program, the Secretary of Agriculture is making use of services and skills of the following agencies:

Community, county, and State Agricultural Stabilization and Conservation committees are carrying the program to farm operators within their areas. County committees receive regulations and instructions from the Department of Agriculture, explain the program to farmers, sign contracts and agreements, check compliance, and make payments to farmers.

The Commodity Credit Corporation and the Commodity Stabilization Service, agencies of the Department of Agriculture, have general responsibility for administering funds used in the program. A new Soil Bank division was set up in CSS in June 1956. This division is responsible for developing regulations and instructions concerning the program and for its administration.

The Agricultural Conservation Program Service has formulated conservation practices to be applied on land placed in the conservation reserve and will review their effectiveness.

Technical resources of the Soil Conservation Service, the Forest Service, the Fish and Wildlife Service, and the various State agricultural and forestry agencies are being utilized in the program.

The Federal Extension Service, working through State and Federal agencies, is supplying information on the Soil Bank to all farmers.

Regular Farm Programs Continue

The Soil Bank is an addition to regular agricultural programs which will strengthen them and promote the total accomplishment of national goals in agriculture. Price support programs and acreage allotments and marketing quotas for some crops are still in effect, with their administration closely tied to the Soil Bank. The Agricultural Conservation Program will continue to include regular conservation activities outside the Soil Bank. The Soil Conservation Service continues its work with soil conservation districts and watershed protection projects.

The rest of this booklet deals with both the acreage reserve and the conservation reserve programs for 1957, including a description of farmers' benefits and responsibilities and of general administration.

ACREAGE RESERVE PROGRAM -- How It Operates

Farmers with acreage allotments for wheat, corn, cotton, rice, most kinds of tobacco and peanuts are eligible to take part in the 1957 acreage reserve. General provisions of the program are similar for all these crops. Specific goals, rates of payment, etc., are different, however, and for commodities other than wheat, this information will be supplied late in 1956. The 1957 wheat acreage reserve program is described on page 8.

Acreage Reserve Held Out of Production

Under the acreage reserve program, farmers who reduce their harvested acres below allotments will receive yearly payments. The program began with the 1956 crop year and will continue through 1959.

A farmer takes part in the acreage reserve program by signing a one-year agreement with his ASC committee and reducing his 1957 acreage of harvested crops below his farm allotments (or Soil Bank corn base if corn farmers agree to continue this program in 1957). Land he places in the acreage reserve may not be grazed, cut for hay, or cropped during the 1957 calendar year. It is taken out of production entirely. The farmer may leave it idle or apply a soil or water conservation practice. In any case, noxious weeds must be controlled on this acreage reserve land. County committees will help in this by determining the most effective control methods for an area.

The Secretary of Agriculture, however, does have authority to allow grazing on reserve land in certain areas because of a natural disaster, such as drought.

Compliance Checked on Acreage Reserve Tracts

In agreement with the county ASC committee, the farmer designates for each commodity the tracts of land on his farm that he has placed in the program. For example, a farmer might identify a tract of corn land to be placed in the acreage reserve as "the northeast corner of field 7 as staked." Farmers who participate in the 1957 program will be offered incentives to put the same land in the 1958 and 1959 acreage reserve.

Farmers may take part in both the acreage reserve and the conservation reserve; however, the same land may not be placed in both programs. A farmer can make use of the ACP in applying conservation practices on land in the acreage reserve.

Farmers entering the program will agree to allow county ASC committees to check compliance on their farms. In general, Soil Bank compliance will be checked at the same time as compliance under price support and marketing quota programs.

Payments Compensate for Income Loss

In return for taking valuable land out of production and placing it in the acreage reserve, farmers will receive payments high enough to compensate them for loss of income on this land. The method of payment is through certificates which the Commodity Credit Corporation will redeem in cash at their face value. Farmers receiving certificates for wheat, corn, and rice acreage may redeem them in the commodity for which they received the certificates or in oats, barley, rye, or grain sorghums. In such cases, the certificates will be worth 105 percent of their face value. Thus a corn farmer holding a certificate worth \$800 would receive \$840 worth of corn (or small grains) in exchange for it.

Certificates are negotiable. In other words, farmers may endorse them over to merchants, bankers, and others as payment for goods or services. Anyone holding a certificate may redeem it in cash. But only farmers to whom certificates for grain have been issued will be able to collect grain in exchange for them. This grain is not eligible for price support programs.

Each State Receives Part of Funds

For the 1957 crop year, \$750 million is available to make payments to farmers who volunteer land for the acreage reserve program. Nation-wide acreage reserve goals for each eligible commodity are being established. In setting these goals, the Secretary of Agriculture has taken into consideration the amount of land needed for production this year and for a desirable reserve. (You will find the 1957 wheat acreage reserve goal on page 8 along with other details for wheat.)

Each State will receive a proportion of total funds available for the nation-wide 1957 program. In making these allocations, the Deputy Administrator for Production Adjustment (CSS) considers State acreage allotments, normal yields, expected participation, and supply and demand of a commodity. He may transfer part of an allocation from one State to another if he believes it necessary in order to gain the desired objectives. State committees will apportion funds among the counties.

The Secretary of Agriculture is establishing base unit rates for each eligible commodity, and in some cases, type of commodity. These rates, as stated above, will be high enough to compensate farmers for loss of income from land placed in the acreage reserve program.

Yield--Unit Rate--Reserve Acres Determine Payment

The payment a farmer receives for placing land in the acreage reserve (i.e., the value of certificates) will be determined as follows: Multiplying the base unit rate for eligible commodities by the normal yield per acre, by the number of acres he has volunteered for the program. Thus if a farmer volunteered 20 acres of wheat land, his certificate value would be calculated by multiplying 20 acres X the base unit rate for wheat X the yield for his farm.

The county ASC committee estimates what "normal yield" is on acres a farmer wants to place in the acreage reserve. They will base their evaluation on several factors. In the 1957 wheat program, for example, county committees will consider community check yield, productivity of the wheat land on a particular farm, usual farm practices of the operator, past records, and abnormal conditions in the past that might distort yield histories.

Acreage Reserve on Farm with Wheat Allotment	
Size of farm	200 acres
Acreage allotment (wheat)	60 acres
Acreage used for other crops (oats, soybeans)	60 acres
Pasture	23 acres
Hay	27 acres
Woodland and farm buildings	30 acres
Land placed in acreage reserve (from wheat acreage allotment)	30 acres
Normal yield per acre for acreage reserve (determined by County ASC committee)	20 bushels --
Total (20 x 30 acres)	600 bushels
Acreage Reserve Unit rate for wheat for county (about 60% of county support rate)	<u>\$1.15</u> per bushel
ACREAGE RESERVE PAYMENT (600 x \$1.15)	\$690.00

Funds for the nation-wide acreage reserve program are not unlimited. And, also most good land must remain in production to meet the Nation's need for food and fiber. Some eligible farmers, therefore, may not be able to put all the acres in the program that they would like. Maximum limits on the participation of any one farm are being established. In addition, administrative requirements make it necessary to set minimum limitations, i.e., a minimum amount of acreage which farmers need to volunteer in order to participate. These also are being established, and will be announced before spring planting. (Maximum and minimum acreage for wheat are listed on page 8.)

Farm Allotments Protected

Historical acreage allotments of farmers taking part in the program will be protected. Acreage placed in the reserve will be considered acreage used to produce crops in determining future State, county, and farm acreage allotments. As an illustration, a farmer with a wheat allotment of 75 acres places 25 in the acreage reserve and produces wheat on only 50 acres. He will be considered as having 75 acres of wheat in establishing future wheat allotments for his farm. However, no acreage placed in the reserve may be reapportioned or allotted to any other farm. This farmer could not turn back 25 acres of his allotment, the amount placed in the acreage reserve, to his ASC committee for reapportionment to another farm during 1957.

In order to take part in the acreage reserve, a farmer must comply with all his acreage allotments (and Soil Bank corn base.) If after signing an agreement, he exceeds any allotment established for his farm, he is ineligible for payment. However, farmers in the commercial wheat areas may produce up to 15 acres of wheat and any farmer growing peanuts may produce up to one acre of peanuts without being ineligible for the program.

Tenants and Sharecroppers Share Benefits

Tenants and sharecroppers on farms whose owners place land in the program have full rights to share in benefits. In his acreage reserve agreement, a landlord describes the distribution to be made of acreage reserve program benefits among his tenants. His county committee decides whether this is a fair division of benefits. The committee will consider two factors: (1) Contribution to production from acreage reserve land that each individual has made in the past, (2) his past share of crops from this land. A landlord cannot make an agreement if it appears he has displaced tenants in preparation for the program or he has not offered them an opportunity to share benefits.

The acreage reserve is a multi-million dollar program, with direct benefit to the entire agricultural economy. It is essential that all farmers be protected from improper use of the program by any individual. Therefore, penalties are provided for violating an agreement.

If an ASC committee finds an operator has violated an agreement seriously enough to terminate it, he will forfeit all payments, past and future, for the year covered by the agreement. In this case, he may appeal the decision to his State committee and the Federal courts.

If the county committee decides his violation is less serious, the farmer's payments will be adjusted and he may also have to refund some of the money already paid him under the agreement. In addition, an operator who grazes land in violation of a contract or harvests a crop from it is subject to a civil penalty. This will amount to 50 percent of benefits he would have received under the agreement.

1957 Wheat Acreage Reserve

A nation-wide goal of 15 million acres has been established for the 1957 wheat acreage reserve.

Specific information on the program for winter wheat was announced in August so that farmers who plant this crop could participate. Reports through October 19, 1956 show that farmers growing winter wheat had signed 195,299 agreements covering more than 10 million acres.

Before the planting season gets under way farmers growing spring wheat will be notified of program details as these apply to their wheat acreage. In general, the acreage reserve program for spring wheat will be similar to the program for winter wheat.

Here is the way the 1957 acreage reserve applied on farms growing winter wheat:

Farmers signed agreements to reduce their 1957 acreage of wheat below their farm allotment. They agreed not to harvest an acreage of wheat which was more than their allotment minus acres placed in the reserve. In return for placing wheat acreage in the 1957 program, farmers will receive certificates whose value is based on a unit rate for wheat in their counties multiplied by normal yields on acreage reserve land. The average national unit rate for the 1957 program as it applied to winter wheat was \$1.20 a bushel. However, this average rate varied among counties.

Maximum and minimum limits on the amount of acreage a farmer could place in the acreage reserve at the start of the sign-up were set as follows: Maximum, 50 percent of the allotment or 50 acres, whichever was larger; minimum, 3 acres or the allotment, whichever was smaller. Some winter wheat farmers who wanted to place additional land in the program were prevented from doing so at the first sign-up because of the 50 percent-50 acre limit. However, they later had an opportunity to increase their participation when unobligated funds within their own county or from other areas became available.

Winter wheat producers had until October 5, 1956, to sign agreements placing land in the 1957 acreage reserve program.

CONSERVATION RESERVE PROGRAM -- How It Operates

A long-term measure to adjust production and increase the conservation of soil, water, and forest resources in the Nation, the conservation reserve part of the Soil Bank has now been made available to all farmers. Through this program, they have an opportunity to receive substantial government assistance as they carry forward the conservation of their farm resources and rehabilitate worn out or eroded land.

The goal for 1956 is set at 4 to 6 million acres and for 1957 at 20 million acres. It is hoped this amount of land will come under contract. Each year \$450 million is available for payments to farmers.

From Production to Conservation

To participate in the conservation reserve program, a farmer signs a contract, through his ASC committee, with the Department of Agriculture. He agrees to devote specific tracts of land on his farm to semi-permanent conservation practices. Land regularly used in crop production is eligible for the program. This includes land producing crops which do not require annual tillage, such as tame hay. However, non-cropland used only for pasture, land already in the acreage reserve, and Federal-Government land is not eligible.

A farmer who signs a contract to participate in the conservation reserve program will maintain protective cover crops or make use of some other approved conservation practice on tracts of land in the program. No crop will be harvested from this land, except timber in keeping with good forestry management. He may not pasture the conservation reserve. Under emergency conditions, however, the Secretary of Agriculture may permit him to graze his own livestock. And grazing may also be authorized after the third year of the contract.

Conservation reserve contracts extend 3 or 5 years for land already in approved cover crops. The producer has a choice of either contract. Where vegetative cover is to be established, contracts extend 5 or 10 years, whichever the producer chooses. Contracts for 10 years apply where the land is planted in trees.

If 1956 is included as the first year of the contract period, the contract will be extended one year. Thus a three-year contract beginning with 1956 becomes a four-year contract. Farmers entering contracts which include 1956 need to be in compliance with all provisions from January 1, 1956. However, a contract beginning with 1957 may be entered into this fall, and the conservation practice established in late 1956.

November 30, 1956 is the last date for signing contracts that begin with this year, and March 15, 1957, the last date for signing contracts beginning with 1957.

Farm Soil Bank Base

County ASC committees will establish a farm Soil Bank base for each farm entering the program. In general, the Soil Bank base is the amount of acreage on a farm normally producing crops for harvest. To establish this Soil Bank base for a farm, the committee determines acreage of land producing crops for harvest during the two years before the first year of the conservation reserve contract. Abnormal weather or special crop rotation systems may be taken into consideration in calculating a Soil Bank base.

Land on the farm not included in the Soil Bank base is considered to be in conserving and idle uses. Farmers participating in the conservation reserve will agree to keep the same amount of land in idle and conserving uses as in the past, in addition to acres placed in the conservation reserve. They will also reduce acreage used in the production of crops by the amount of acres placed in the program. In short, reduce crop acreage below the Soil Bank base.

Here is an example of how the Soil Bank base might apply on a farm with conservation reserve land: In 1955 and 1956, the farm operator had 40 acres in corn, 35 acres in small grains, and 20 in wheat. In addition, 55 acres of his land were devoted to pasture and trees. His county committee established a Soil Bank base for his farm of 95 acres. He wants to place 20 acres of poorer crop land in the conservation reserve, beginning with 1957. To do so, he must maintain at least 55 acres (equal to land now in pasture and trees) in idle and conserving uses in addition to the 20 acres he puts in the conservation reserve. He must also reduce acreage he uses in the production of crops by 20 acres. So he will have only 75 acres in crop production while he participates in the program.

A special provision applies to small farms and larger farms with all eligible land in the conservation reserve program. Producers on farms with a Soil Bank base of 30 acres or less may place land in the program without reducing acres in crop production below this base. However, they will receive only 30 percent of the full annual payment rate. This lower rate is called the "non-diversion rate." (See page 12 for a description of "annual payment.")

An operator whose farm has a Soil Bank base of more than 30 acres and who agrees to place all eligible land on his farm in the conservation reserve will receive two rates of payment: (1) the full annual payment rate for that part of his conservation reserve acreage which is equal to the Soil Bank base for his farm; (2) the lower (30 percent) rate for the remaining conservation reserve acreage. For example, a farm with eligible cropland of 150 acres and a Soil Bank base of 90 acres. The operator places all 150 acres in the conservation reserve. He receives the full annual payment rate for 90 acres and the lower payment rate for 60.

Limits on Farm Participation

Minimum limits on the amount of acreage farmers may place in the conservation reserve program: 5 acres where approved cover is on the land or will be established, and 2 acres where trees are to be planted. However, in counties where the tillable land on farms is small, State ASC committees may approve a lower minimum acreage for the conservation reserve. This minimum will be at least one acre.

In return for signing a contract and taking part in the program, a farmer receives two payments: the practice payment helps him establish conservation measures; the annual payment provides income for land taken out of production.

Practice Payment for Conservation

Farmers will receive up to 80 percent of what it costs them to establish permanent conservation on land placed in the program. State ASC committees have authority to set a rate of cost sharing which is less than 80 percent. Individual county committees may also set lower rates. A contract will not be made for less than five years if the participating farmer receives cost-sharing for establishing a conservation practice.

The following conservation practices are eligible for cost-sharing payments:

- Establishing a permanent vegetative cover crop for soil protection.
- Treating farmland to permit the use of legumes and grasses for soil improvement.
- Establishing trees or shrubs.
- Building dams, pits, or ponds in order to protect cover crops or to hold irrigation water.
- Protecting wildlife through cover, water, and marsh management, or dam and pond construction.

If the Department of Agriculture or agencies representing it provide materials and services for conservation work on land in the reserve, their cost will be considered part of the cost-share payment. The Department may purchase or produce these materials and services, reimburse government or private dealers for them, and pay the cost of making them available to farmers.

The Soil Conservation Service has soil capability data and technical skills which can help farmers in selecting the land on their farms best suited for the conservation reserve and in selecting conservation practices for that land. Farmers can consult with local SCS technicians in planning their conservation reserve.

Annual Payment

In addition to the conservation practice payment, a participating farmer also receives a payment each year for the length of his contract to compensate him for loss of income on land taken out of crop and livestock production. This payment will be based on the amount of acreage he has placed in the reserve and the rate per acre that has been established for land in his county.

The national average per acre rental rate is \$10.00. Average rates for each State have been established, (See page 13) and state ASC committees are establishing a payment rate per acre for each county. In setting this rate, they consider cash value of land in a particular county, prevailing land rent, and land productivity compared with that of other counties. State committees may establish different payment rates for different land in a county, but these rates have to average out to the county rate. A typical county might have an average annual payment rate of \$9.00 an acre. However, the rate for land within that county might vary from \$6.00 to \$12.00, depending on its value and productivity.

A farmer with land in the conservation reserve may receive both cost-sharing and annual payment during the year a conservation practice is carried out. His annual payment continues each year the contract is in force and its conditions are met.

If the Secretary of Agriculture permits grazing on land in the conservation reserve program because of local disaster conditions, no annual payment will be made for that year to a farmer who grazes livestock, and if grazing is permitted after the first three years of the contract, the annual payment will be reduced.

Total annual payment to any farm producer in any year is limited to \$5,000, no matter how many of his farms have conservation reserve land. In some cases, however, the Secretary of Agriculture may increase this top limit. Where a farmer wants to put all eligible land on his farm in the Soil Bank, or a higher payment is needed to bring a large amount of erosion land into the program, might be two such cases.

State Annual Payment Rates Per Acre, Conservation Reserve

<u>State</u>	<u>Regular Rate</u>	<u>State</u>	<u>Regular Rate</u>
Alabama	\$8.00	Nebraska	\$9.00
Arizona	9.00	Nevada	7.00
Arkansas	9.00	New Hampshire	10.00
California	12.00	New Jersey	13.00
Colorado	8.00	New Mexico	8.00
Connecticut	13.00	New York	11.00
Delaware	12.00	North Carolina	10.00
Florida	8.00	North Dakota	9.00
Georgia	8.00	Ohio	12.00
Idaho	11.00	Oklahoma	9.00
Illinois	12.00	Oregon	12.00
Indiana	12.00	Pennsylvania	11.00
Iowa	12.00	Rhode Island	12.00
Kansas	10.00	South Carolina	9.00
Kentucky	10.00	South Dakota	9.00
Louisiana	10.00	Tennessee	10.00
Maine	9.00	Texas	10.00
Maryland	12.00	Utah	11.00
Massachusetts	13.00	Vermont	10.00
Michigan	11.00	Virginia	10.00
Minnesota	11.00	Washington	13.00
Missouri	9.00	West Virginia	10.00
Mississippi	10.00	Wisconsin	11.00
Montana	9.00	Wyoming	8.00

Payment Stops If Soil Bank Base Exceeded

No annual payment will be made to a farmer in any year when his acreage planted in Soil Bank base crops exceeds by the larger of 3 acres or 3 percent the farm Soil Bank base less acreage in the conservation reserve. To illustrate: a farmer who planted an average of 90 acres of corn, small grains, and soybeans in the past two years now has a Soil Bank base of 90 acres. He has placed 20 acres in the conservation reserve. During the first year of the contract if he plants more than 73 acres in corn, small grains, and soybeans, he will receive no annual payment. In addition, the conservation reserve contract will be considered in violation. (See page 15.)

This provision applies to farmers who receive the regular (or full) annual payment. Those who have not reduced harvested crops below their Soil Bank base and are receiving only the lower rate may not exceed their Soil Bank base by 3 acres or 3 percent, whichever is larger. (See page 10 for an explanation of this rate.)

Long-Term Contracts and Successors in Interest

Because contracts under the conservation reserve program are long term, the question of successors in interest has considerable importance.

If a contracting farmer dies, becomes incompetent, or disappears, payments due him will go to his successor (determined according to present ACP regulations.) If a farmer or tenant signing a contract loses control of the farm at a later date, the contract will be ended so far as he is concerned. He will not receive further payments and will refund all practice payments he has received, unless the individual taking his interest in the farm becomes a party to the contract. The rights and responsibilities of remaining owners who have signed a conservation reserve contract for one farm are not changed if one of them sells his interest in the farm.

Tenants and sharecroppers have full rights to share in the benefits of the conservation reserve. Payments for conservation work on acreage placed in the program go to the individual who has carried out the practice for which costs are shared or has received the materials and services provided by government agencies. If more than one person is involved, the ASC county committee decides the contribution in work, equipment, etc., each has made, and divides benefits according to this contribution. As to the annual payment, contracts will describe the way in which payments will be divided among landlords and tenants or sharecroppers.

Acreage Allotments Protected

Acreage allotments of farmers taking part in the conservation reserve are protected, even for farmers undertaking 10-year contracts. In determining future State, county, and farm acreage allotments, acreage placed in the reserve will be considered acreage used to produce crops. However, no acreage placed in the program may be apportioned to another farm.

If any acreage allotment (or Soil Bank corn base) on a farm is exceeded during any year covered by the conservation reserve contract, the operator will be ineligible for payments. However, farmers in commercial wheat areas may produce 15 acres of wheat and any farmer may produce one acre of peanuts without being ineligible for the program.

If county and State ASC committees approve, two or more farmers in a local area may pool their farms in order to enter the conservation reserve program. To do so they need to develop a plan that the county committee believes will result in better management of family farms or better land use on their farms.

Conservation Reserve on Two Farms

Farm in Southwest:

960 acres

100 acres placed in conservation reserve

Total cost of establishing grass cover at \$7 per acre _____ \$700

Payment to farmer at 80 percent of the cost _____ 560

Annual payment, \$5 per acre _____ 500

Payment to farmer the 1st year, \$560 plus \$500 _____ 1,060

Payment in following years for duration of the contract _____ 500

Farm in the Piedmont:

120-acre farm

60 acres placed in conservation reserve

Total cost of establishing 30 acres of grass at \$20 _____ \$600

Total cost of establishing 30 acres of trees at \$12 _____ 360

Payment to farmer equal to 80 percent of costs _____ 768

Annual payment \$8 per acre _____ 480

Payment 1st year, \$768.00 plus \$480.00 _____ 1,248

Payment in following years for duration of the contract _____ 480

Penalties for Violating a Contract

Administration of the conservation reserve also carries with it necessary penalties to protect participating farmers from improper use of the program.

If the county ASC committee finds an operator has violated an agreement seriously enough to terminate it, he and his tenants or sharecroppers, if any, will forfeit all payments (both annual payment and cost-sharing) under the contract. In this case, the operator may appeal the decision to his State committee and the Federal courts.

If the county committee decides his violation is less serious, the payments of the operator (and his tenants or sharecroppers) may be adjusted and he may also have to refund some of the money already paid him under the contract. In addition, an operator who grazes land in violation of a contract or harvests a crop from it is subject to a fine amounting to 50 percent of his benefits under the contract.

Contracts can be changed or even terminated through an agreement between a farmer and his county committee. However, this action must be approved by the Deputy Administrator for Production Adjustment (CSS) or be in line with general policies he issues.

THE SOIL BANK AS A NEW FARMING TOOL

In preparing their farming plans for 1957 and later years, farm operators will be taking a close look at the benefits and income possibilities of the Soil Bank -- both the acreage reserve and the conservation reserve. This new, multi-million dollar program holds out an opportunity for farmers to earn substantial payments in exchange for land retirement and conservation work that will actually increase the value of their farm resources. Here is an opportunity for the entire Nation to make long-needed adjustments in farm production and to build up soil, water, and forest resources that have sometimes been misused in the past.

In spite of its broad scope and nation-wide importance, the Soil Bank remains a program for the individual farm. Farm operators have the ultimate responsibility for the value of the program to themselves and to the entire Nation.

As he prepares for the 1957 crop year, a farmer might review the possibilities of the Soil Bank on his farm, asking himself such questions as these:

- Will the Soil Bank help in making needed production adjustments while maintaining historical allotments on a farm?
- On a small farm with small tillable acreage, will payments plus work off the farm in industry or trades produce more family income than full-time farming?
- If the operator is an older man or in bad health, will the Soil Bank Program help him ease the load, or reduce his operations to a level he can handle?
- In areas with high hazard land, Soil Bank participation can provide protection against drought, hail, pests, or floods. Has the program been considered in this light?
- Will the program help correct a bad erosion problem?
- Where changes are badly needed in type of farming and production methods, will the Soil Bank give new impetus to these changes?
- Is this the opportunity to make real, practical use of farm forests and forestry possibilities?

Farmers can write their own list of questions, taking into consideration local conditions and their farming operations. No farmer can afford to ignore this important new tool in American agriculture.

County ASC committees are aiding farmers with specific information and interpretations regarding the program. Local meetings are being held. Information material has been sent to all farming areas, and State and Federal agency representatives have visited these areas to explain the program and distribute information. County ASC offices and representatives of State and Federal agencies welcome requests for information.

Farmers sign up for programs at their ASC county office. Farmers should consult with their ASC committees before making plans to use the Soil Bank.

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